

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 PC-01 CIAE-00 DODE-00
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FM AMEMBASSY KIGALI
TO SECSTATE WASHDC 4923
INFO AMEMBASSY BRUSSELS
AMEMBASSY BUJUMBURA
AMEMBASSY DAR ES SALAAM
AMEMBASSY KINSHASA
AMEMBASSY LIBREVILLE
AMEMBASSY NAIROBI
AMEMBASSY PARIS

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JOINT STATE/AID/USIA/PC

E.O. 11652: N/A

TAGS: PFOR, EINV, EAGR, ECON, RW, GB, TZ, FR
SUBJECT: TRENDS IN RWANDA: MAY 1977

1. SUMMARY: THE FRUITS OF INCREASING SELF-CONFIDENCE
WERE EVIDENT IN MAY AS THE GOVERNMENT OF RWANDA CONCLUDED A
NUMBER OF LONG STANDING ITEMS ON FOREIGN AND DOMESTIC FRONTS.
IN FOREIGN AFFAIRS, PRESIDENT HABYARIMANA VISITED
PRESIDENT NYERERE IN DAR ES SALAAM, DISCUSSED IMPLEMENTATION
OF RWANDO-GABONESE ACCORD SIGNED LAST OCTOBER, AND COMPLETED
INITIAL PREPARATIONS FOR THE 1979 FRANCO-AFRICAN SUMMIT IN
KIGALI. DOMESTICALLY, THE GOR REAFFIRMED ITS SELF HELP WORK
ETHIC IN A LENGTHY JUSTIFICATION OF OBLIGATORY COMMUNAL
LABOR, (UMUGANDA), REDUCED THE PUBLIC SECTOR WORK WEEK
BY 2.5 HOURS, RAISED THE PRODUCER PRICE OF A KILO OF COFFEE,
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AND DISCUSSED FINAL VERSION OF NEW INVESTMENT CODE.
END SUMMARY

2. FOREIGN AFFAIRS: MOVING AHEAD WITH FRIENDS

A. TANZANIA: LONG AWAITED JOURNEY

HABYARIMANA'S OFFICIAL VISIT TO DAR ES SALAAM WAS MOST SATISFYING EVENT OF MONTH FOR RWANDA. COMING NEARLY FOUR YEARS AFTER THE COUP D'ETAT WHICH TOPPLED NYERERE'S CLOSE FRIEND GREGOIRE KAYIBANDA, MEETING MARKED RECON-SOLIDATION OF RWANDAN-TANZANIAN RELATIONS AT PRESIDENTIAL LEVEL. FIRST STEPS WERE MADE DURING 1976 WHEN HABYARIMANA MET WITH NYERERE AT MWANZA IN FEBRUARY FOLLOWED BY VISIT OF FOREIGN MINISTER TO DAR ES SALAAM IN JUNE AND EX-PREMIER/ SECOND-VICE PRESIDENT KAWAWA TO KIGALI AUGUST 24-27.

TANZANIANS APPARENTLY ROLLED OUT RED CARPET FOR HABYARIMANA WHO HAD TWO SESSIONS WITH NYERERE, VISITED ZANZIBAR WHERE STATE DINNER HOSTED BY VICE PRESIDENT ABOU DJOUMBE WAS HELD, AND TOURED NUMBER OF YOUTH CAMPS, AGRICULTURAL PROJECTS, AND UJAMAA VILLAGES. AS HAD EARLIER DISCUSSIONS BETWEEN RWANDAN-TANZANIAN MIXED COMMISSION HEADED BY MINISTERS OF PUBLIC WORKS, TALKS CENTERED ON QUESTIONS OF BILATERAL COOPERATION PARTICULARLY CONSTRUCTION RUSUMO-ISAKA ROAD, RAILROAD LINKING RWANDA TO EAST AFRICAN NETWORK AND PROPOSED HYDRO-ELECTRIC PLANT AT RUSUMO FALLS. ABSENCE PUBLICATION FINAL COMMUNIQUE IN KIGALI SUGGESTS TALKS NOT WHOLLY SUCCESSFUL AND THAT TANZANIANS PROBABLY NOT AS INTERESTED IN COMMITTING FED REGIONAL DEVELOPMENT FUNDS TO DEVELOPMENT OF NORTH WESTERN LAKE DISTRICT.

B. GABON: RWANDA WORKS SERIOUSLY ON ACCORDS

WORK ON THE ECONOMIC AND CULTURAL ACCORDS SIGNED
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WITH GABON LAST OCTOBER WAS FOCUS OF MIXED RWANDO-GABONESE COMMISSION MEETING MAY 9-13. MANY OBSERVERS DID NOT TAKE THE ACCORDS SERIOUSLY WHEN THEY WERE SIGNED, BUT THIS MAY'S MEETING, THE ONE SCHEDULED FOR MAY 1978, AND APPOINTMENT OF RWANDAN CHARGE TO LIBREVILLE, INDICATE THAT THE RWANDANS INTEND IMPLEMENT AGREEMENTS. RWANDAN NEGOTIATORS PROMISED TO PROVIDE AVAILABLE LABOR SKILLS LIST FOR CIRCULATION AMONG GABONESE EMPLOYERS. DISCUSSIONS WERE ALSO HELD ON THE PROBLEMS OF IMPLEMENTING MARKETING AGREEMENTS AND CULTURAL EXCHANGES. IT WAS AGREED THAT WHEN AIR GABON BEGINS REGULAR SERVICE, KINSHASA WILL SERVE AS AN INTERCHANGE POINT OF THE KIGALI-LIBREVILLE RUN. ACTUAL ENTRY INTO FORCE OF AGREEMENTS MAY STILL BE SOMETIME OFF, BUT GOR VITALLY INTERESTED IN BENEFITS OF ASSOCIATION WITH ONE OF SUB-SAHARAN AFRICA'S RICHEST NATIONS.

C. FRANCE AGREES TO ADD TO OCAM VILLAGE

MINPLAN JEAN CHRYSOSTOME NDUHUNGIREHE RETURNED
FROM PARIS MAY 20, PLEASED WITH JUST-SIGNED ACCORD FOR
EXTENSION OF HOTEL URUGWIRO BUILT FOR OCAM SUMMIT. FRANCE
WILL FINANCE EXTENSION AND OTHER NECESSARY PREPARATIONS
FOR 1979 FRENCH-AFRICAN SUMMIT IN KIGALI.

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3. WORK-IMPORTANT BUT SO IS LEISURE

A. UGANDA-EMPHASIZED VALUE OF WORK

AFTER OVER THREE YEARS OF EXPERIMENTATION WITH
UGANDA (COMMUNAL LABOR), MINISTRY OF PLAN HAS MADE THE
REQUIRED ACTIVITY EVEN MORE ATTUNED WITH DEVELOPMENT NEEDS.
MAY 9 DIRECTIVE EMPHASIZES ROLE OF UGANDA IN WORK OF
MRND (WHICH WILL SUPERVISE ACTIVITIES) AND IMPORTANCE OF
EROSION CONTROL, PARTICULARLY IN HILLY GISENYI AND GIKONGORO
PREFECTURES. DIRECTIVE INCLUDES YEAR ROUND WORK SCHEDULE
FOR EROSION ACTIVITIES AS WELL AS DIVISION OF LABOR FOR
KIGALI CIVIL SERVANTS, PREFECTURAL OFFICIALS, LOCAL LABOR,
AND STUDENTS. CHIEF ACTIVITIES INCLUDE BRICK MANUFACTURING,
ROAD MAINTENANCE, AND COFFEE CULTIVATION AT KIGALI AIRPORT.

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MINISTER ALSO REAFFIRMED IMPORTANCE OF UMUGANDA AS "ESSENTIAL TOOL FOR DEVELOPMENT" AND MEASURE OF VALUE OF WORK. WHILE INDIVIDUALS WHO DO NOT PARTICIPATE MAY BE FINED, BURGOMASTERS IN RURAL AREAS ARE URGED TO USE PERSUASION RATHER THAN FORCE TO ENCOURAGE PARTICIPATION. EXCEPTIONS POSSIBLE IF JOBS ESSENTIAL TO ECONOMY BUT MRND MUST CONCUR BEFOREHAND. SIMILARLY, MRND CELLS IN SECTORS OF COMMUNES WILL PROVIDE MECHANISM FOR CONSULTATION ON PROJECTS TO BE UNDERTAKEN AS WELL AS APPROPRIATE TASKS FOR RWANDA'S BUSY MOTHERS. FINALLY, WEALTHY RWANDANS WILL NOT BE ABLE TO PAY THEIR WAY OUT OF UMUGANDA THROUGH VOLUNTARY CONTRIBUTIONS TO COMMUNAL PROJECTS.

B. THE 8 HOUR DAY: INNOVATION FOR ADDED LEISURE TIME

HAVING EXPRESSED CONCERN FOR THE VALUE OF WORK, GOR ALSO REWARDED RWANDA'S WORKERS BY REDUCING PUBLIC SECTOR WORK WEEK FROM 49 TO 46.5 HOURS, INCLUDING 5 HOURS COMPULSORY COMMUNAL LABOR. BEGINNING MAY 24, ALL EMPLOYEES WERE FREE AT 5 P.M. RATHER THAN 5:30. THE WORK DAY, ONE OF THE LONGEST IN AFRICA. STILL BEGINS AT 7 AND RUNS TO 12, AND THEN BEGINS AGAIN AT 2 P.M. NEWS REPORTS EXPLAINED THAT AFTER THREE AND ONE-HALF YEARS, VALUE OF OUTPUT (WHICH HAD DIMINISHED DURING LAST YEARS OF KAYIBANDA ERA) HAD AGAIN INCREASED AND THAT PEOPLE NEEDED TIME TO PURSUE THEIR OWN INTERESTS. DECREASE IN HOURS ALSO PROVIDED INEXPENSIVE PAY RAISE IN TERMS OF HOURLY WAGES WITHOUT AFFECTING HARD PRESSED GOR TREASURY. IMMEDIATE EFFECTS NOT IMMEDIATELY VISIBLE, BUT RWANDANS WHO OFTEN WALK HOME AT DUSK APPRECIATE EXTRA DAYLIGHT TIME.

4. COFFEE: GOR TO PAY PRODUCERS HIGHER PRICE

RWANDA'S COFFEE MARKETING BOARD, OCIR, HAS INCREASED PRODUCER PRICE OF GREEN COFFEE FROM 80 TO 120 FRANCS A KILO (DOLS 1.32) IN RESPONSE TO PRICE INCREASES IN ZAIRE

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AND BURUNDI. FARMERS ALREADY RECEIVING THIS RATE WHEN THEY BRING COFFEE TO DEPOTS, BUT PRICE REMAINS A SEMI-OFFICIAL SECRET UNTIL RWANDA SURE THAT NEIGHBORS WILL NOT RAISE THEIR PRICE AGAIN. OCIR RELUCTANT TO RAISE PRICE BUT FEAR LARGE PORTION RWANDAN CROP WOULD GRAVITATE TO HIGHER PAYING COUNTRIES MAY HAVE TRIGGERED ACTION WHICH

SHOULD ADEQUATELY PROTECT RWANDA'S MOST IMPORTANT CASH CROP AND SOURCE OF INCOME. IN PAST YEAR, THEN, COFFEE PRICE TO PRODUCER HAS DOUBLED AS IT HAS TWICE IN PAST 20 YEARS. FARMERS WILL APPRECIATE EXTRA MONEY, BUT END EFFECT WILL BE HIGHLY INFLATIONARY.

5. COMMERCE: LOOKING FOR YET MORE CAPITAL

GOR ALSO MOVED TO ENCOURAGE PRIVATE INVESTMENT SUPPORTIVE OF DEVELOPMENT. MOST IMPORTANT ACTION WAS DISCUSSION OF NEW INVESTMENT CODE DESIGNED TO REPLACE 1964 LAW AND PROVIDE TAX BENEFITS TO RWANDAN AS WELL AS FOREIGN INVESTORS. PHILOSOPHY BEHIND LAW IS THAT CORPORATE ACTIVITY BY RWANDANS SHOULD BE ENCOURAGED WHILE CONTINUING TO RECOGNIZE INDIVIDUAL ENTREPRENEURS MAY BE EXTREMELY SUCCESSFUL. LAW WILL FAVOR MIXED RWANDAN-EXPATRIATE INDUSTRIAL FIRMS, AND IS DESIGNED TO STIMULATE FOREIGN INVESTMENT. GOVERNMENT COMMENTARY ALSO NOTES PLAN TO DISCOURAGE INTRIGUE AND JEALOUSY AGAINST SUCCESSFUL RWANDAN ENTREPRENEURS DURING IMPLEMENTATION PHASE. LAS COMMENT REFLECTS CONTINUED GOR CAMPAIGN AGAINST "FEUDAL" TRADITIONS REMAINING IN RWANDAN SOCIETY: IT MAY ALSO REFLECT HIGH-LEVEL CONCERN FOR IMPEDIMENTS DESIGNED BY LESSER BUREAUCRATS TO OTHER INVESTMENT PROJECTS. HIGGINS

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